



**ORGANIZATION OF MISO STATES, INC.
Board of Directors Meeting
Conference Call Minutes
January 15, 2015**

Approved Feb. 20, 2015

Libby Jacobs, President of the Organization of MISO States, Inc. (OMS), called the January 15, 2015 meeting of the OMS Board of Directors to order via conference call at approximately 1:00 p.m. (CST). The following board members or their proxies participated in the meeting:

Elana Wills, proxy for Arkansas
Randy Rismiller, proxy for John Colgan, Illinois
Angela Weber, Indiana
Libby Jacobs, Iowa
Noel Darce, proxy for Eric Skrmetta, Louisiana
Regis Gosselin, Manitoba
Sally Talberg, Michigan
David Boyd, Minnesota
David Carr, proxy for Brandon Presley, Mississippi
Robert Kenney, Missouri
Kirk Bushman, Montana
Phil Movish, proxy for Jason Williams, City of New Orleans
Jerry Lein, proxy for Brian Kalk, North Dakota
Greg Rislov, proxy for Gary Hanson, South Dakota
Ken Anderson, Texas
Eric Callisto, Wisconsin

Absent
Kentucky

Agency members participating
Bert Finzer, Keith Berry – Arkansas
Al Freeman, Chris Devon – Michigan
Hwikon Ham – Minnesota
Richard Greffe - Texas

Others on the call
Chris Miller – FERC
Bill Smith, Tanya Paslawski, Colleen Dougherty, Julie Mitchell – OMS Staff

The directors and proxies listed above established the necessary quorum for the meeting of at least nine directors being present.

Approval of Minutes from the December 4 and December 12, 2014 Board Meeting

The minutes were approved as submitted.

Treasurer's Report

The October and December 2014 treasurer's reports were accepted as submitted.

Review of the December 18, 2014 Executive Committee Meeting:

The following items from the meeting:

- FERC settlement update;
- Insurance renewal;
- Audit update;
- 2007 Demand Response Principles;
- Intervention in Duke waiver case;
- Officer vacancies;

Executive Director's Report

A written report was distributed prior to the meeting.

BUSINESS

1. FERC Update

- Chris Miller provided an update from FERC;
- Former OMS Treasurer and Arkansas Chair, Colette Honorable, was appointed to FERC to replace John Norris.

2. MISO Advisory Committee

- The January MISO Advisory Committee meeting was cancelled;
- February's Hot Topic on Resource Adequacy is due on February 19;
- An Iowa staff member is interested in serving on the Finance Subcommittee. The deadline is January 30th.

3. MISO Planning Advisory Committee

- Angela Weber introduced Dave Johnston, who provided the PAC update. He highlighted the following items:
 - MTEP 16 futures;
 - PJM-MISO Interregional Order 1000.

4. Action Item: Officer Vacancies

- Libby Jacobs presented the report from the Nominating Committee. It was approved by unanimous voice vote;

5. Action Item: OMS Strategic Initiatives

- Libby Jacobs introduced the 2015 Strategic Initiatives and asked for suggestions or edits. There were no changes.

Angela Weber moved to accept the 2015 Strategic Initiatives. Kirk Bushman seconded. The motion passed by unanimous voice vote.

6. OMS Participation in FERC Regional meetings on EPA's Clean Power Plan (AD15-4) (St. Louis, March 31)

- Libby Jacobs asked for official representation from OMS. Anyone who is interested should contact Bill Smith or Tanya Paslawksi.

7. Action Item: Intervention and Comments on bid and offer caps, FERC Docket No. ER15-691

- Bill Smith present this issue. It was agreed the Work Group would monitor and OMS would not file at this time.

8. Open Mic

- Chris Miller of FERC answered Eric Callisto's questions on settlement response.

9. Possible Action Item: FERC Docket EL14-12, litigation strategy

- Pursuant to OMS By-Laws, this issue was discussed in closed session.

Updates and Work Group Status Reports

Demand Response WG

- Andrew Kell provided a verbal update;

Transmission Cost Allocation WG

- No report;

Markets and Tariffs WG

- Hwikwon Ham provided a verbal update;

Resources WG

- Don Neumeyer provided a verbal update;

Regional Planning WG

- Written report;

Governance and Budget

- No report;

Seams WG

- Chris Devon provided a verbal update;

Administrative Ad Hoc WG

- No report;

Ad Hoc 111d WG

- No report;

ADJOURNMENT

The meeting of the OMS Board of Directors meeting adjourned at 1:40 pm CST.

Revised January 9, 2015

The Organization of MISO States Board of Directors will hold its monthly meeting via conference call **Thursday, January 15, 2015 at 1:00 pm (Central)**.

- Call-in number is **866-554-6142**. The conference code is **1385092764** followed by the # sign.
- Board members who cannot attend the call should notify Julie at (julie@misostates.org) and Colleen at (colleen@misostates.org) to designate a proxy for this meeting.

Agenda

Call Meeting to Order – President Libby Jacobs 1:00
Attendance, Recognition of Proxies, Declaration of a Quorum
Approval of Minutes from the December 4 and 12, 2014 Board meetings
Treasurer’s Reports – October 2014 and December 2014
Review of Executive Committee meeting – December 18, 2014

Administrative Update

Report from the Executive Director 1:05

- FERC dockets

Business

1. **FERC Update** 1:10
 2. MISO Advisory Committee 1:20
 - January meeting cancelled
 - February Hot Topic
 - Finance Subcommittee Nominee
 3. Planning Advisory Committee 1:30
 4. Action Item: OMS Officer vacancies 1:35
 5. Action Item: OMS Strategic Initiatives 1:40
 6. OMS participation in FERC Regional meetings on EPA’s Clean Power Plan (AD15-4) (St. Louis, March 31) 1:45
 7. **Action Item: Intervention and Comments on bid and offer caps, FERC Docket No. ER15-691** 1:50
 8. Open Mic – membership comment opportunity 2:00
- *OMS will adjourn to closed session to discuss the following item:
9. Possible Action Item: FERC Docket EL14-12, litigation strategy **Closed Session**

OMS Work Group Status Reports

- a. Demand Response WG
- b. Transmission Cost Allocation WG
- c. Markets and Tariffs WG
- d. Resources WG
- e. Regional Planning WG
- f. Governance and Budget WG
- g. Seams WG
- h. Administrative Ad Hoc WG
- i. 111(d) Ad Hoc WG

Announcements

- Next OMS Executive Committee meeting: Thursday, January 29, 2015 at 1:00 pm CT
- Next regular OMS Board of Directors meeting: Thursday, February 19, 2015 at 1:00 pm CT

Adjourn

2:45



**Organization of MISO States
Report of the Treasurer
Chairman Colette Honorable, Arkansas Public Utilities
Commission
to the Board of Directors
Report for December 2014**

CASH ON HAND

The beginning balance for the Wells Fargo Business Performance Savings Account on December 1 was \$25,336.79. Interest earned for this month totaled \$0.64 and there was no other activity. The December 31, 2014, ending balance was \$25,337.43.

The beginning book balance for the Chase Bank One Checking account on December 1 was \$123,057.83. The total disbursements from the checking account for December 2014 amounted to \$196,984.51. Deposits, interest and adjustments were \$169,001.74 which includes MISO funding of \$169,000.00. As of December 31, 2014, the checking account bank balance was \$111,064.39 (with 24 check payments outstanding) and the book balance was \$95,075.06.

The total savings plus checking account balance as of December 31, 2014, is \$120,412.49.



TREASURER'S REPORT
Organization of MISO States
December 31, 2014

Wells Fargo Business Performance Savings Account

Book Balance as of 11/30/14		\$ 25,336.79
12/31/2014 DEP Interest on Savings		\$ 0.64
		\$ 25,337.43

Chase Bank One Commercial Checking with Interest

Book Balance as of 11/30/14		\$ 123,057.83
12/5/14 ACH Midcontinent ISO	\$ 169,000.00	
12/31/14 DEP Interest on checking	\$ 1.74	
Total Deposits		\$ 169,001.74

Checks and Charges

Date	Check #	Descriptions	
12/08/2014	4966	Minnesota PUC (H. Ham)	\$ 2,305.29
12/08/2014	4967	Randy Rismiller (Illinois)	\$ 1,752.90
12/08/2014	4969	State of Iowa (V. Bujimalla)	\$ 1,157.38
12/08/2014	4968	State of Iowa (S. Bents)	\$ 966.64
12/08/2014	4971	Conference Suite	\$ 916.49
12/08/2014	4965	Minnesota Dept of Commerce (Z. Ruzycski)	\$ 881.20
12/08/2014	4970	Wisconsin PSC (D. Breuer)	\$ 626.55
12/08/2014	4973	Triplett Office Essentials	\$ 208.75
12/08/2014	4964	Bill Smith	\$ 206.55
12/08/2014	4974	Bill Smith	\$ 70.31
12/08/2014	4972	Diversified Management Services (DMS)	\$ 56.49
12/12/2014	4977	NG Planning LLC - EGEAS Software	\$ 75,000.00
12/12/2014	4978	NG Planning LLC - EGEAS Software	\$ 24,000.00
12/12/2014	4976	NG Planning LLC - EGEAS Software	\$ 10,000.00
12/12/2014	w/d	WF Payroll Service - Processing Fee	\$ 50.00
12/15/2014	w/d	VISA (Chase Bank One)	\$ 6,219.31
12/15/2014	4980	Customized Energy Solutions	\$ 3,500.00
12/15/2014	4983	Thor Projects LLC	\$ 400.00
12/15/2014	4979	Combined Systems Technology (CST)	\$ 159.00
12/15/2014	4981	Energy Data LLC	\$ 150.00
12/15/2014	4984	Triplett Office Essentials	\$ 68.57
12/16/2014	4989	Michael Marchand (AR)	\$ 1,138.70
12/16/2014	4987	Eve Gonzalez (LA)	\$ 1,127.39
12/16/2014	4985	Amy Moore (MO)	\$ 1,041.05
12/16/2014	4986	Daniel Hall (MO)	\$ 997.35
12/16/2014	4992	Scott Rupp (MO)	\$ 750.73
12/16/2014	4993	State of Iowa (S. Bents)	\$ 643.47
12/16/2014	4998	Walt Cecil (MO)	\$ 624.54
12/16/2014	4990	Presley Reed (NOLA)	\$ 562.00
12/16/2014	4996	Linda Breathitt (KY)	\$ 352.95
12/18/2014	5000	Laura Dixon (MS-PSC)	\$ 310.43
12/22/2014	5003	Bill Smith	\$ 1,224.86
12/22/2014	5008	Tanya Paslawski (OMS-DED)	\$ 1,152.45
12/22/2014	5004	Jonathan Beyer (KY)	\$ 736.39
12/22/2014	5007	Stephanie Taylor (MS)	\$ 398.52
12/22/2014	5001	Bill Smith	\$ 68.99
12/30/2014	5016	Combined Systems Technology (CST)	\$ 2,332.00
12/30/2014	5015	100 Court Investors LLC	\$ 1,950.60
12/30/2014	5023	Triplett Office Essentials	\$ 148.36
12/31/2014	w/d	WF Payroll Service - Net Wages	\$ 21,710.12
12/31/2014	w/d	WF Payroll - Taxes	\$ 8,861.10
12/31/2014	10014	Expert Plan - MG Trust Co.	\$ 6,177.15
12/31/2014	w/d	WF Payroll Service - Processing Fee	\$ 56.60
12/15/2014	4982	New Horizons of Des Moines	\$ 260.00
12/16/2014	4991	Rachel Hassani (MO)	\$ 935.51
12/16/2014	4995	Province of Manitoba (Simonsen)	\$ 888.77
12/16/2014	4994	Kurt Simonsen (MB)	\$ 643.20
12/16/2014	4999	Wisconsin PSC (M. Hawkins)	\$ 639.88
12/16/2014	4988	Laura Dixon (MS-PSC)	\$ 596.00
12/16/2014	4997	Richard Zuraski (IL)	\$ 395.76
12/22/2014	5002	City of New Orleans	\$ 1,744.70
12/22/2014	5005	Kenneth Anderson (TX)	\$ 810.88
12/22/2014	5009	Wisconsin PSC (Julie Urban)	\$ 435.10
12/22/2014	5006	Matthew Baer (KY)	\$ 107.81
12/30/2014	5020	Novick Group	\$ 4,155.00
12/30/2014	5010	Adam McKinnie (Missouri)	\$ 1,181.05
12/30/2014	5013	Iowa OCA (M. Munoz)	\$ 653.11

12/30/2014	5017	Conference Suite	\$	604.03
12/30/2014	5024	Iowa OCA (Jennifer Easler)	\$	541.53
12/30/2014	5012	Iowa OCA (Jennifer Easler)	\$	541.53
12/30/2014	5022	Qwest/CenturyLink	\$	350.58
12/30/2014	5011	Al Freeman (MI)	\$	159.08
12/30/2014	5014	Walt Cecil (MO)	\$	148.95
12/30/2014	5021	Premier Copiers	\$	56.72
12/30/2014	5019	Diversified Management Services (DMS)	\$	39.00
12/30/2014	5018	Crystal Clear Water	\$	35.14

Total Disbursements - Checks and Charges

\$ 196,984.51

CHECKING ACCOUNT BALANCE at 12/31/14

\$ 95,075.06

TOTAL Certificates of Deposit, Savings and Checking Account Balances as of: 12/31/14

\$ 120,412.49

CHASE CHECKING ACCOUNT RECONCILIATION

Bank Balance 12/31/14 \$ 111,064.39

Less Checks Outstanding

12/15/2014	4982	New Horizons of Des Moines	\$	260.00
12/16/2014	4991	Rachel Hassani (MO)	\$	935.51
12/16/2014	4995	Province of Manitoba (Simonsen)	\$	888.77
12/16/2014	4994	Kurt Simonsen (MB)	\$	643.20
12/16/2014	4999	Wisconsin PSC (M. Hawkins)	\$	639.88
12/16/2014	4988	Laura Dixon (MS-PSC)	\$	596.00
12/16/2014	4997	Richard Zuraski (IL)	\$	395.76
12/22/2014	5002	City of New Orleans	\$	1,744.70
12/22/2014	5005	Kenneth Anderson (TX)	\$	810.88
12/22/2014	5009	Wisconsin PSC (Julie Urban)	\$	435.10
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12/30/2014	5021	Premier Copiers	\$	56.72
12/30/2014	5019	Diversified Management Services (DMS)	\$	39.00
12/30/2014	5018	Crystal Clear Water	\$	35.14
11/17/2014	4933	Jerry Lein (North Dakota)	\$	66.00

Total Outstanding Checks \$ 15,989.33

Book Balance 12/31/14 \$ 95,075.06



Organization of MISO States

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OMS Executive Director Report January 15, 2015

FERC Issues

1. The parties to the MISO TO ROE case agreed to cease settlement proceedings and go to hearing on December 16th. The prehearing conference to establish a schedule will take place on January 22nd. The date for the hearing judge's decision has tentatively been set for November 30, 2015.
2. FERC announced it will be holding a series of technical conference on the EPA's Clean Power Plan, starting with a national conference in Washington DC on February 19th. There will be three regional conferences with the Central Region being held in St. Louis on March 31st. OMS to consider participation.
3. The FERC will hear presentations on seams issues from PJM, MISO, OMS, OPSI, and the market monitors after its regular meeting on January 22.
4. OMS filed doc-less interventions in the following dockets since the last meeting:
 - a. December 5th: Consumers Energy request for waiver of the compliance with the MISO tariff for the 6 week period between the MATS compliance date and the end of the MISO planning year (ER15-435).
 - b. December 19th: Duke Energy request for waiver of the compliance with the MISO tariff for the 6 week period between the MATS compliance date and the end of the MISO planning year (ER15-592).
 - c. January 9th: MISO request for waiver of \$1,000 bid offer cap (ER15-691).

MISO Matters

1. MISO released its 2014 Value Proposition showing \$2.3 to \$3.2 billion in annual economic benefits.
2. OMS submitted feedback on the MISO MTEP Guiding Principles to the MISO Board Committee on System Planning on January 12th, advocating for a new principle that approved projects be reevaluated to ensure those being built continue to meet the criteria for approval.
3. MISO will be working with OMS on what is being done to address fuel assurance concerns. MISO is required to file comments at FERC February 16th.
4. On December 2 and 3, MISO and OMS conducted a second regulatory boot camp for new OMS members.

Upcoming dates:

- Next Executive Committee Meeting: January 29
- Next Board Meeting: February 19, 2015
- MISO Board and Advisory Committee Meetings February 24-26, New Orleans
- Future OMS Board meetings: March 19, April 16
- Future OMS Executive Committee meetings: March 5, April 2



Organization of MISO States

REPORT OF THE OMS NOMINATING COMMITTEE

Recommendation for 2015 Officer Vacancies

Secretary (MISO AC)

Kirk Bushman – Montana

Treasurer

Ken Anderson – Texas

Recommendation for 2015 Nominating Committee Vacancy

Ken Anderson – Texas

Submitted by the 2015 Nominating Committee

Libby Jacobs – Iowa

Sally Talberg – Michigan

2015 OMS Personnel Committee (to be acted on by Executive Committee January 29, 2015)

Sally Talberg – Michigan

Betsy Wergin – Minnesota

Brandon Presley - Mississippi

Organization of MISO States 2015 Strategic Initiatives

December 2014

Mission Statement: *The purpose of the OMS is to coordinate regulatory oversight among the states; making recommendations to the Mid-Continent Independent System Transmission Operator (MISO), the MISO Board of Directors, the FERC, other relevant government entities, and state commissions as appropriate; and intervening in proceedings before the FERC and in related judicial proceedings to express the positions of the OMS.*

By the nature of its members' duties, the OMS most often finds itself in a reactive mode, looking at events and activities outside of its control to determine its projects, action steps and policy objectives. Establishing and achieving annual goals can be a challenge. However, there remains an opportunity for the organization to focus on a set of strategic initiatives which allows it to prioritize its work and set an action plan in place to best utilize the time and talent of OMS members and staff.

On October 23, 2014, OMS commissioners and staff met to think broadly about issues and activities which could form the foundation for the 2015 Strategic Initiatives. Listed below, in no particular order, these initiatives will be a focus of work by the OMS commissioners, state staff and the OMS staff throughout 2015. The organization will also continue to remain nimble and flexible in order to address the changing landscape of the energy industry in a manner that best suits its 17 member entities.

I. Greater engagement of all OMS members

The expansion of the member base of the OMS with the addition of the states in MISO South in 2013, the inevitable changes in commissioners and staff, and the growing number of issues and meetings coming from MISO make greater engagement of all members an important focus. The organization is at its strongest when all members are well represented.

Action Steps

- The OMS Executive Committee and/or Board will provide guidance in prioritizing issues to help move the Board to a more proactive policy focus. Also up for discussion is the need for more guidance on the interaction between the work groups and the board in terms of decision making, analyzing technical issues, and managing workload.

- The OMS Executive Committee and Board will review the Work Group structure and priorities to ensure staff time is used most efficiently.
- The OMS Board and Work Group members will make a concerted effort to develop and build relationships with other OMS members and offer increased opportunities for engagement.
- Continue offering training sessions to help build knowledge and smooth transition efforts due to retirements and job changes.
- Roll out recommendations of the Administrative Issues Ad Hoc Work Group regarding document sharing systems and work group processes.
- Utilize items identified in Oct. 23rd brainstorming session for additional guidance.

II. Facilitate conversations regarding improvements to the MISO stakeholder process

MISO has been in existence since 2001 and the original stakeholder process is basically still in place with minor modifications. Given MISO's rapid growth, footprint expansion, and industry changes, it is time to step back and evaluate whether the stakeholder process is optimally structured to meet the current needs of the organization. The OMS can serve as a facilitator/convener for this discussion.

Action Steps

- Review current MISO priorities and discuss stakeholder process with other stakeholders. Seek their input on need for process improvement.
- Consider realignment of MISO groups with original, intended purpose and adjust/eliminate those whose work has been accomplished or has no future relevance.
- Facilitate conversation with MISO senior management and board regarding how to improve the effectiveness of the stakeholder and decision making processes.
- Continue informal meetings between OMS and individual stakeholder groups such as the Transmission Owners, IPPs, and others.

III. Enhance outreach efforts to the FERC and other regulatory and advisory bodies as appropriate.

Good efforts have been made over the past several years to share the work and viewpoint of OMS with FERC. These efforts should continue to grow in 2015. Additionally, OMS commissioners and staff can play a key role in communicating informally with peers in SPP, PJM, and other neighboring organizations. And, the

OMS should continue to work with, and find more avenues for coordination with the ERSC.

Action Steps

- OMS Executive Director, Deputy Executive Director and Board are more intentional in seeking meetings with the FERC commissioners and staff. Increase use of non-FERC meetings, such as NARUC events, to enhance conversation opportunities.
- OMS Executive Committee develops a strategy for outreach and more regular communication with other regional state committees and RTOs and ISOs.
- Develop and implement a communications strategy with the EPA and DOE as appropriate.

IV. Successfully transition OMS staff

2015 will mark the year of formal staff transitions at OMS. The hiring of successors for the Executive Director and Office Manager are complete and transition plans are being implemented.

Action Steps

- Complete seamless transition of new staff in 2015. Clearly articulate roles and expectations of staff, along with timelines for transition completion.
- Discuss and develop a plan for future location of office and the need for additional staff/consultants/contractors.
- Continue to explore other process improvements for administrative or IT needs.

V. Continue focus on key priority issues and projects

Ongoing issues will dominate OMS time and resources in 2015. Most of these span multiple years, yet the organization must be nimble to address new topics and changing priorities as they appear on the radar. Identified issues for 2015 include:

- **OMS/MISO Resource Adequacy Survey**--The OMS Board voted in October 2014 to again partner with MISO on the survey for 2015. OMS will work to establish parameters for participation that address concerns raised by members in 2014.
- **Seams issues**--Given the ongoing interest and FERC dockets, these issues will require much attention in 2015. The Board will work with the WG chairs to prioritize the multitude of seams issues.

- **MISO TO ROE complaint**—FERC’s actions in late 2014 will determine the role OMS chooses to play. This could become a significant issue during 2015. OMS will participate in settlement and hearing proceedings to ensure the most prudent outcome possible.
- **EPA’s Clean Power Plan**—With a June 2015 expected announcement of the final rule for 111(d), OMS will continue to look at state and regional impacts on reliability, consumer cost and transmission/generation needs and support efforts to establish state responses.
- **Other EPA issues**—The EPA is expected to release proposed rules in 2015 on coal combustion residuals (coal ash). In addition, the implementation of the final rule on cooling water intakes is in process. These issues, along with others could require OMS to develop a position or take other action to address the impact of these issues.
- **Demand Response**—Recent court decisions on FERC Order 745 impact the oversight and responsibility for DR. The DR WG will monitor the next steps taken on this topic and implications for the states and region and keep the Board informed of these developments.
- **SSRs**—Increased interest by states and the utilities will potentially require OMS to take a position regarding current and future SSR activity. OMS will evaluate this issue to determine whether to take action.
- **Market issues**—OMS will continue to have several work groups focused on a variety of issues including ELMP Implementation, Hurdle Rate Proposals, Futures Development, Shortage Pricing and Offer Caps. In addition, OMS will continue communication with the IMM as appropriate.
- **OMS enhanced regional planning authority**—OMS work groups will continue to provide input and feedback on planning principles and on MTEP’s scope, futures, process issues, and final recommendation.
- **MISO governance**—The MISO Board of Directors expands by 1 new member in 2015 and again in 2016. In addition, stakeholders are seeking changes to the MISO board nominating procedures. OMS will monitor and take positions as necessary.
- **MISO Advisory Committee Hot Topics**—Beginning with the October 2014 AC meeting, the MISO board initiated a new approach to the presentation of the hot topics. OMS will continue to help shape this approach as well as be involved in any of the topics discussed by the AC.

OMS Resources Work Group

Report for January 15, 2015 Board meeting

Co-Chairs: Don Neumeyer and Walt Cecil

SAWG

On January 8th the SAWG held its regular meeting.

- Specific Topics:
 - Fuel Assurance Report Outline is coming out soon – comments from stakeholders by **2/6/2015**
 - GIA impacts on RA – comments needed by **1/22/2015**
 - MISO has proposed a new plan for studies related to interconnection, impacting the cost that interconnection customers are responsible for
 - BPM language will be presented at IPTF
- Of note:
 - It became clear that issue tracking has been lacking, so there will be an emphasis starting with the next meeting to update the issue tracking sheet and address it in the beginning of every meeting

LOLE

- Specific Topics:
 - Requested stakeholder review of Gantt chart of LOLE process (no firm date)
 - LRZ reconfiguration methodology – a lot of time was spent on this, with opposing viewpoints shared, no specific responses requested. Short term price signaling could possibly undermine long-term planning.
 - Transmission Strength – inspired presentation for next meeting explaining relationship between CBM and LOLE
 - LOLE Capacity Adjustment – comments by **1/21/2015**
 - New method (perfect unit adjustment) to be added to tariff sections 68.a.2.1 and 68a.5
 - MISO's tariff filing will be coming in March.

Interconnection Process Task Force

A very interesting IPTF meeting is being held Jan. 15th. There is significant discussion about interim deliverability studies and the process for GIA and accreditation of dispatchable steam units against the flow of energy from non-dispatchable units under different operating conditions.

Upcoming Items:

Resources Work Group Report
Don Neumeyer
For January 15, 2015 OMS Board Meeting

- SAWG Feb.5
- LOLE Feb. 4
- Hot Topic Questions on Resource Adequacy is expected to be issued Jan. 20-22 time period. The response will be due the week before the Feb. AC meeting. A WG response call will be scheduled shortly.

Other:

- The Resources WG Draft IMM response on a Sloped Demand Curve and Mandatory Market is still in draft form.

End of report: DGN

OMS Regional Planning Work Group Report for January 15 Board meeting

Co-Chairs: Dave Johnston and Julie Urban

MTEP16 Futures Feedback:

The Regional Planning Work Group (RPWG) held three work group calls over the last month to discuss the feedback on MTEP16 Futures. In addition a small group held a call with MISO staff. The work group developed three drafts of comments, and the final draft was sent to MISO on January 7, two days ahead of their deadline.

MISO Demand Response and Energy Efficiency Survey:

The RPWG held a call with MISO on December 29 to discuss the upcoming MISO survey on Demand Response and Energy Efficiency.

There are several other MISO Planning feedback requests outstanding and the RPWG has considered them but has not drafted any comments on them. The full list is available upon request.

FERC Activities:

MISO-PJM Interregional Order 1000 (ER13-1945 and others): FERC issued its order for the Interregional Order 1000 for MISO and PJM. The order accepted in part and rejected in part the separate filings that were made by MISO and PJM back in 2013. FERC rejected MISO's proposal to take away the concept of an interregional reliability project under the existing MISO-PJM Joint Operating Agreement (JOA) due to the change in cost allocation for reliability projects was approved by FERC for MISO under the regional part of Order 1000. FERC directed MISO and PJM to make a compliance in 60 days (February 16). The filing should either modify the JOA's existing cost allocation methodology for cross-border reliability projects or propose a new way for cross-border projects to be eligible to be selected in each RTO's regional transmission plan.

In addition FERC directed MISO and PJM to make these changes:

- Explicitly allow for transmission projects that are located in two or more transmission planning regions;
- Clarify how and where stakeholders can propose interregional transmission projects for joint evaluation through the RTOs' regional transmission planning processes; and
- Allow for an interregional project that may resolve regional transmission needs driven by public policy requirements to be considered by each respective regional transmission planning process.

MISO Reaction: The timeline is short for stakeholder involvement in this compliance filing. MISO will address the order and their plan at the January 29 Regional Expansion Criteria and Benefits (RECB) meeting. This issue is in the Management Plan for the RECB group.

NIPSCO Complaint (EL-88-000): Northern Indiana Public Service Corporation (NIPSCO) filed a complaint on September 11, 2013 on interregional MISO-PJM issues and asked for reform of the interregional planning process of the Joint Operating Agreement between MISO and PJM. FERC issued notice (Dec. 19, 2013) that it was holding this complaint in abeyance until the Interregional Order 1000 decision was issued. On December 18, 2014, FERC issued an order in this complaint case that directs FERC Staff to hold a Technical Conference on the matter. FERC established a refund date of September 11, 2013.

OMS Markets and Tariffs Work Group January 2015 Report

1. FERC Fuel Assurance Report (AD14-8)

At the January 6 2015, Market Subcommittee (MSC) meeting, MISO discussed how it will prepare the FERC Fuel Assurance Report (AD14-8-000). MISO will seek stakeholder feedback in early February. There will be an upcoming conference call with MISO to discuss the filing. MISO has indicated they would like OMS to file comments in support of MISO's efforts.

2. Hurdle Rate ER14-2445-001

FERC issued an order on December 12 2014. According to MISO, the order effectively forces MISO to change hurdle rate to about \$40. MISO indicated that it may file request for reconsideration. IMM also indicated his unhappiness with the order.

3. Summary of MISO's ER15-691 (Offer Cap Waiver) Filing

- FERC Filing for a waiver is temporary for this winter period only.
- The proposed process will allow for correct commitment to take place reflecting the appropriate unit pricing in Look-Ahead Commitment, Forward Reliability Assessment Coordination, Day-Ahead Energy and Operating Reserve Market.
- Owner of generating unit will be compensated correctly for commitments using this process when offering their units into the Market.
- When the gas price is projected to drive the Energy Offer to a value greater than the \$1000 Energy Offer Cap Price; the Market Participant will do the following:
 - Notify MISO by calling their appropriate Regional Generation Dispatcher (RGD) informing MISO that the gas price has caused their Energy Offer to be over the \$1000 Energy Offer Price Cap.
 - The RGD will inform the Shift Manager and the Intra-Day Reliability Assessment and Commitment (IRAC) Operator of the increase in the units cost.
 - Make a consultation call to the IMM informing the IMM of the impact of the current gas costs raising the Energy Offer of their unit to a point above the Energy Offer Price Cap of \$1000. There will be discussion concerning the Unit Reference Price changes being needed.

- Enter the Energy Offer price of \$1000 as their Energy Offer Price. This will be an Offer notification to the RGD confirming the call concerning the Energy Offer price going over the \$1000 Energy Offer Price Cap.
 - Increase the No Load Offer price by the amount of the Energy Offer that is over the \$1000 Energy Offer Price Cap.
 - Keep MISO informed of any changes in the Energy Offer Cost impacted by gas cost to the unit before and during any commitment period and when the Energy Offer price goes below the \$1000 Energy Offer Price Cap.
- Market Participants will be eligible to recover their actual, verified costs through the Real-Time Offer Revenue Sufficiency Guarantee Payment (RORS GP) rules set forth in Section 40.3.5.8 of the Tariff. The sum of the RTORS GP payments made in an hour shall be funded through an assessment of debits on all Market Participants on a pro rata basis, based on their Market Load Ratio Share.

Workgroup Discussion

- Some workgroup members have concern with a possible impact of natural gas price manipulation to electric market.
- Some workgroup members have concern with socializing the cost above \$1,000.

Possible Action(s) by OMS

- OMS files late comments regarding two concerns mentioned by workgroup members.
- OMS replies to party's comments as needed.
- OMS participates in MISO workgroup process to develop long-term solution.

For those interested, please note the following MISO meetings:

MISO Board of Dirs Markets Committee – monthly meetings (1/28 next mtg)

MISO Market Subcommittee - monthly meetings (2/3 next mtg)

MISO FTR Working Group – monthly meetings (2/11 next mtg)

The **OMS Markets and Tariffs Work Group** covers: Energy and Operating Reserve markets, Market Monitoring and Mitigation. See <http://www.misostates.org/index.php/work-groups-2/workscopereference/63-markets-a-tariffs-workscopereference>
http://www.misostates.org/images/stories/meetings_schedules/OMSWGOverview21May2014.pdf

Allan Freeman and Hwikwon Ham, Markets and Tariffs Work Group co-chairs



**ORGANIZATION OF MISO STATES, INC.
Board of Directors Closed Meeting
Conference Call Minutes
January 15, 2015**

Approved Feb. 20, 2015

Libby Jacobs, President of the Organization of MISO States, Inc. (OMS), called the January 15, 2015 Closed meeting of the OMS Board of Directors to order via conference call at approximately 1:45 p.m. (CST). The following board members or their proxies participated in the meeting:

Elana Wills, proxy for Arkansas
Randy Rismiller, proxy for John Colgan, Illinois
Angela Weber, Indiana
Libby Jacobs, Iowa
Noel Darce, proxy for Eric Skrmetta, Louisiana
Regis Gosselin, Manitoba
Sally Talberg, Michigan
David Boyd, Minnesota
David Carr, proxy for Brandon Presley, Mississippi
Robert Kenney, Missouri
Kirk Bushman, Montana
Phil Movish, proxy for Jason Williams, City of New Orleans
Jerry Lein, proxy for Brian Kalk, North Dakota
Greg Rislov, proxy for Gary Hanson, South Dakota
Ken Anderson, Texas
Eric Callisto, Wisconsin

Absent

Kentucky

Agency members participating

None

Others on the call

Bill Smith, Tanya Paslawski, Julie Mitchell – OMS Staff

The directors and proxies listed above established the necessary quorum for the meeting of at least nine directors being present.

BUSINESS

1. Possible Action Item: FERC Docket EL14-12, litigation strategy

Libby Jacobs moved to approve giving authority to Bill Smith and Tanya Paslawski to seek counsel from Jennings Strouss on the issue of EL14-12 up to \$300,000 to \$400,000. They will bring the final contract to the Executive Committee for a final vote. Ken Anderson seconded. The motion was approved by voice vote with Illinois, Louisiana, Minnesota, and Mississippi abstaining.

ADJOURNMENT

The closed meeting of the OMS Board of Directors meeting adjourned at approximately 2:45 pm CST.